

Chargeable Hours Guidance

For Audit and Review Streams

The [CPA Practical Experience Requirements \(CPA PER\)](#) prescribe that candidates in the audit and review streams must meet the following chargeable hour requirements (Note: Specific regulations and bylaws of the provincial/regional body and the specific licensing regime or authority within each provincial body to control public accounting take precedence over these general requirements.):

- **Audit Stream (PER 2.5.1.1.1):** minimum of 1,250 chargeable hours in assurance, of which a minimum of 625 must be obtained in audit of historical financial information.
- **Review Stream (PER 2.5.1.1.2):** minimum of 1,250 chargeable hours in assurance, of which a minimum of 625 must be obtained in providing review of historical financial information. Note that qualifying hours in the audit of historical financial information can also count towards the minimum 625 required for the review stream.

This guidance has been developed to help candidates and their employers in determining what type of work qualifies as a chargeable hour under these streams. All engagements contemplated in the *CPA Canada Handbook – Assurance* were analyzed and categorized based on the engagement’s capacity to develop the expected competencies in the Audit and Review streams, with the overriding goal of protecting the public.

The *CPA Canada Handbook* sections referenced within this guidance are for standards effective on September 1, 2017.

It is important to note that the chargeable hour requirements are minimum requirements, in addition to the specific competency requirements for each of the pathways.

Table 1 – Qualifying Engagement Types for Audit Hours

The following engagements included in the *CPA Canada Handbook – Assurance* qualify towards the minimum 625 chargeable hours for audits of **historical financial statements** and **other historical financial information**.

Qualifying Handbook Section	
CAS 700	Forming an opinion and reporting on financial statements
CAS 705	Modifications to the opinion in the independent auditor's report
CAS 706	Emphasis of matter paragraphs and other matter paragraphs in the independent auditor's report
CAS 800	Audits of financial statements prepared in accordance with special purpose frameworks
CAS 810	Engagements to report on summary financial statements
7150	Auditor's consent to the use of a report of the auditor included in an offering document
7500/7170	Auditor's consent to the use of the auditor's report included in a business acquisition report/designated documents *7500 will be replaced by 7170 (*only as related to an auditor's consent to the use of an auditor's report in a business acquisition report issued on or after June 1, 2017.)
CAS 720	The auditor's responsibilities relating to other information in documents containing audited financial statement * Could involve financial or non-financial information
5925	An audit of internal control over financial reporting that is integrated with an audit of financial statements
CSRS – 4460	Reports on supplementary matters arising from an audit or a review engagement – (only applicable for matters arising from audit engagements for qualifying audit hours) * Effective for reports dated on or after April 1, 2016.
AuG – 13	Special reports on regulated financial institutions * Replaced by CSRS 4460 effective for reports dated on or after April 1, 2016.

Table 2 – Qualifying Engagement Types for Review Hours

The following engagements included in the *CPA Canada Handbook – Assurance* qualify towards the 625 chargeable hours for reviews of **historical financial statements** and **other historical financial information**.

Note: Qualifying hours in the audit of historical financial information can also count towards the minimum 625 hours required for the review stream.

Qualifying Handbook Section	
CSRE 2400	Engagements to review historical financial statements * Effective for reviews of financial statements for periods ending on or after December 14, 2017. Earlier application is not permitted.
8100	General Review Standards
8200	Public accountant's review of financial statements *Replaced by CSRE 2400 for financial statements for periods ending on or after December 14, 2017. Earlier application is not permitted.
7060	Auditor review of interim financial statements
CSRS – 4460	Reports on supplementary matters arising from an audit or a review engagement – (only applicable for matters arising from review engagements for qualifying review hours) * Effective for reports dated on or after April 1, 2016.

Table 3 – Qualifying Other Assurance Hours

The following engagements included in the *CPA Canada Handbook – Assurance* may qualify towards the remaining 625 chargeable hours for **other assurance engagements**.

Qualifying Handbook Section	
CAS 805	Audits of single financial statements and specific elements, accounts or items of a financial statement
8500	Reviews of financial information other than financial statements * Replaced by CSRE 2400 for financial statements for periods ending on or after December 14, 2017. Earlier application is not permitted.
CSRE 2400	Engagements to review historical financial statements — (when adapted to the review other financial information) * Effective for reviews of financial information for periods ending on or after December 14, 2017. Earlier application is not permitted.
AuG 6	Examination of a financial forecast or projection included in a prospectus or other public offering document

Table 4 – Non-Qualifying Engagements

Although the following engagements are included in the *CPA Canada Handbook – Assurance*, they do not qualify for audit, review, or other assurance chargeable hours.

Engagements Involving Financial Information

Handbook Section	
9200	Compilation Engagements
AuG - 16	Compilation of Financial Forecast or Projection
9100	Reports on the Results of Applying Specified Auditing Procedures to Financial Information Other than Financial Statements
7600	Reports on the application of accounting principles
7200	Auditor assistance to underwriters and others

Engagements Involving Non-Financial Information

Handbook Section	
9110	Agreed-upon procedures regarding internal control over financial reporting
CSAE 3000	Attestation engagements other than audits or reviews of historical financial information * Effective for attestation engagements where the assurance report is dated on or after June 30, 2017
CSAE 3001	Direct engagements * Effective for attestation engagements where the assurance report is dated on or after June 30, 2017
5025	Standards for assurance engagements other than audits of financial statements and other historical financial information * Replaced by CSAE 3000 and 3001 for attestation engagements where the assurance report is dated on or after June 30, 2017
CSAE 3410	Assurance engagements on greenhouse gas statements
CSAE 3416	Reporting on controls at a service organization
PS 5300	Auditing for compliance with legislative and related authorities in the public sector

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Handbook Section	
5815	Audit reports on compliance with agreements, statutes and regulations *Could have financial components
8600	Reviews of compliance with agreements and regulations *Could have financial components
PS 5400	Value-for-money auditing in the public sector
PS 6410	Planning value-for money audits in the public sector
PS 6420	Knowledge of the audit entity in planning value-for-money audits in the public sector